

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Kelly Scherr, P.Eng., MBA, FEC  
Managing Director, Environmental and Engineering Services  
and City Engineer

**Subject:** Contract Award: RFT21-11  
2021 Infrastructure Renewal Program  
Burlington Street and Paymaster Avenue

**Date:** March 30, 2021

## Recommendation

That on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, the following actions **be taken** with respect to the award of contract for the 2021 Infrastructure Renewal Program Burlington Street and Paymaster Avenue project:

- (a) the bid submitted by J-AAR Excavating Limited at its tendered price of \$3,620,251.92, excluding HST, for the Burlington Street and Paymaster Avenue project, **be accepted**; it being noted that the bid submitted by J-AAR Excavating Limited was the lowest of eleven bids received and meets the City's specifications and requirements in all areas.
- (b) AECOM Canada Ltd, **be authorized** to carry out the resident inspection and contract administration for the Burlington Street and Paymaster Avenue project in accordance with the estimate, on file, at an upset amount of \$276,894.20, including 10% contingency, excluding HST, in accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy.
- (c) the financing for this project **be approved** as set out in the Sources of Financing Report attached, hereto, as Appendix 'A'.
- (d) the Civic Administration **be authorized** to undertake all the administrative acts that are necessary in connection with this project.
- (e) the approval given, herein, **be conditional** upon the Corporation entering into a formal contract, or issuing a purchase order for the material to be supplied and the work to be done, relating to this project (RFT21-11); and
- (f) the Mayor and City Clerk **be authorized** to execute any contract or other documents, if required, to give effect to these recommendations.

## Executive Summary

### Purpose

This report recommends award of a tender to a contractor and continuation of consulting engineer services for the 2021 Infrastructure Renewal Program Burlington Street and Paymaster Avenue project. This project will reconstruct Burlington Street from Burlington Crescent to Scenic Drive and Paymaster Avenue.

### Context

Burlington Street and Paymaster Avenue have been identified for reconstruction under the annual Infrastructure Renewal Program as the sanitary sewer, storm sewer and watermain within the project limits are at the end of their useful life. A location map depicting the approximate limits of the reconstruction project is provided in Appendix 'B'.

## Linkage to the Corporate Strategic Plan

This recommendation supports the following 2019-2023 Strategic Plan areas of focus:

- Building a Sustainable City:
  - London's infrastructure is built, maintained, and operated to meet the long-term needs of our community.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- Civic Works Committee – July 14, 2020, Appointment of Consulting Engineers, Infrastructure Renewal Program, Recommendation a) (ii).

### 2.0 Discussion and Considerations

#### 2.1 Project Description

The Burlington Street and Paymaster Avenue project includes the following improvements:

- Watermain replacement including water service renewal to the property line,
- Storm sewer and sanitary sewer replacement,
- Partial replacement of existing private drain connections,
- New sidewalk installation on Paymaster Avenue,
- Replacement of existing sidewalk on Burlington Street, and
- Full road reconstruction including new asphalt, curb, and gutter.

Infrastructure replacement needs have been coordinated within the Environmental and Engineering Services Department. The funding for this project comes from the approved 2021 Wastewater and Treatment, Water, and Transportation capital works budgets.

#### 2.2 Public Consultation

The initial project notice (dated August 28, 2020) was mailed out to properties within and flanking the project limits. Included with the notice was a survey that residents were invited to fill out and return to the City's project team to provide information on their property and input for consideration.

The subsequent pre-construction notice (dated January 22, 2021) was mailed out to properties within and flanking the project limits. Included in this notice was an invitation for residents to view narrated project information videos posted on the project webpage. Typically, the City would hold an in-person project update meeting for Infrastructure Renewal Program projects; however, due to the COVID-19 pandemic, adjustments were made to ensure public safety and to follow restrictions on public gatherings. The narrated project information videos conveyed the same information as would have been presented at an in-person project update meeting. Residents can continue to contact the City's project manager directly with questions.

#### 2.3 Service Replacement

In conjunction with the construction of this project, the City is replacing existing sewer private drain connections to approximately two metres behind the curb, where applicable, to help minimize future roadway excavations and to extend the service life of the roadway. As part of this project the water service connections will be replaced to the roadway property line. The property owner may elect to replace their private side water service connection at their own cost. Property owners may also be eligible to participate in the City's Lead Service Replacement Loan Program.

### 3.0 Financial Impact/Considerations

#### 3.1 Tender Summary

The tender for the 2021 Infrastructure Renewal Program Burlington Street and Paymaster Avenue project closed on February 10, 2021. Eleven contractors submitted tender prices as listed below, excluding HST. All tenders received include a contingency of \$340,000.00.

Table 1: Summary of submitted tender prices

Contractor	Tender Price Submitted
J-AAR Excavating Limited	\$3,620,251.92
L82 Construction Ltd	\$3,634,785.20
Bre-Ex Construction Inc	\$3,641,605.81
CH Excavating (2013)	\$3,656,842.33
Blue-Con Construction	\$3,698,000.00
Elgin Construction	\$3,745,973.28
Omega Contractors Inc.	\$3,828,698.17
291 Construction Ltd	\$3,850,823.36
Amico Infrastructure (Oxford) Inc.	\$3,901,355.30
Nabolsy Contracting Inc.	\$4,272,793.50
Sierra Infrastructure Inc	\$4,385,391.72

All tenders have been checked by the Environmental and Engineering Services Department and AECOM Canada Ltd. No mathematical errors were found. The results of the tendering process indicate a competitive process. The tender estimate prior to tender opening was \$3,900,000, including contingency, excluding HST.

#### 3.2 Consulting Engineer Services

AECOM Canada Ltd was awarded the detailed design of the Burlington Street and Paymaster Avenue project by Council on July 21, 2020. Due to the consultant's knowledge and positive performance on the detailed design, the consultant was invited to submit a proposal to carry out the resident inspection and contract administration for the project. AECOM Canada Ltd submitted a proposal which includes an upset limit of \$276,894.20, including 10% contingency, excluding HST.

Staff have reviewed the fee submission, including the time allocated to each project task, along with hourly rates provided by each of the consultant's staff members. That review of assigned personnel, time per project task, and hourly rates was consistent with other Infrastructure Renewal Program assignments of similar scope. The continued use of AECOM Canada Ltd on this project for construction administration is of financial advantage to the City because the firm has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

In addition to the financial advantage, there are also accountability and risk reduction benefits. The City requires a Professional Engineer to seal all construction drawings. These 'record drawings' are created based on field verification and ongoing involvement by the Professional Engineer. This requirement promotes consultant accountability for the design of these projects, and correspondingly, reduces the City's overall risk exposure. Consequently, the continued use of the consultant who created and sealed the design drawings is required in order to maintain this accountability process and to manage risk.

In accordance with Section 15.2 (g) of the City of London's Procurement of Goods and Services Policy, civic administration is recommending that AECOM Canada Ltd be

authorized to carry out the remainder of engineering services, as construction administrators, for a fee estimate of \$276,894.20, including 10% contingency, excluding HST. These fees are associated with the construction resident inspection and contract administration services to ensure that the City receives the product specified and associated value. The approval of this work will bring the total engineering services for this project to \$476,885.20, including 10% contingency, excluding HST, for both detailed design and construction administration.

### 3.3 Operating Budget Impacts

Additional annual sewer, water, and transportation operating costs attributed to new infrastructure installation are summarized in the following table.

Table 2: Summary of annual operating cost increase

<b>Division</b>	<b>Rationale</b>	<b>Annual Operating Cost Increase</b>
Sewer Operations	Additional manholes, catchbasins and oil grit separator	\$600.00
Water Operations	Additional valve and hydrants.	\$150.00
Transportation Operations	Additional 45m of new sidewalk on Paymaster Avenue.	\$71.00
Total	Total of the above adjustments.	\$821.00

## Conclusion

Civic Administration has reviewed the tender bids and recommends J-AAR Excavating Limited be awarded the construction contact for the Burlington Street and Paymaster Avenue 2021 Infrastructure Renewal Program project.

AECOM Canada Ltd has demonstrated an understanding of the City's requirements for this project and it is recommended that this firm continue as the consulting engineer for the purpose of resident inspection and contract administration services as it is in the best financial and technical interests of the City.

**Prepared by:** Aaron Rozentals, GDPA, P.Eng., Division Manager, Water Engineering

**Submitted by:** Scott Mathers, MPA, P.Eng., Director, Water and Wastewater

**Recommended by:** Kelly Scherr, P.Eng., MBA, FEC, Managing Director, Environmental and Engineering Services and City Engineer

**CC:** D. Gough, C. Ginty, K. Chambers, A. Rammeloo

Appendix 'A' – Sources of Financing

Appendix 'B' – Location Map

## Appendix "A"

#21031

March 30, 2021  
(Award Contract)

Chair and Members  
Civic Works Committee

RE: RFT21-11 - 2021 Infrastructure Renewal Program - Burlington Street and Paymaster Avenue  
(Subledger WS21C00B)

Capital Project ES241421 - Infrastructure Renewal Program - Sanitary Sewers

Capital Project ES254021 - Infrastructure Renewal Program - Stormwater Sewers and Treatment

Capital Project EW376521 - Infrastructure Renewal Program - Watermains

J-AAR Excavating Limited - \$3,620,251.92 (excluding HST)

AECOM Canada Ltd. - \$276,894.20 (excluding HST)

### Finance and Corporate Services Report on the Sources of Financing:

Finance and Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the Managing Director, Environmental and Engineering Services and City Engineer, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
<b>ES241421 - Infrastructure Renewal Program - Sanitary Sewers</b>				
Engineering	2,000,000	6,426	84,530	1,909,044
Construction	11,615,864	519,261	1,105,191	9,991,412
City Related Expenses	25,000	0	0	25,000
<b>ES241421 Total</b>	<b>13,640,864</b>	<b>525,687</b>	<b>1,189,721</b>	<b>11,925,456</b>
<b>ES254021 - Infrastructure Renewal Program - Stormwater Sewers and Treatment</b>				
Engineering	2,000,000	0	84,530	1,915,470
Construction	7,944,576	510,914	1,105,190	6,328,472
City Related Expenses	100,000	0	0	100,000
<b>ES254021 Total</b>	<b>10,044,576</b>	<b>510,914</b>	<b>1,189,720</b>	<b>8,343,942</b>
<b>EW376521 - Infrastructure Renewal Program - Watermains</b>				
Engineering	2,500,000	0	112,708	2,387,292
Construction	13,719,930	1,303,896	1,473,587	10,942,447
<b>EW376521 Total</b>	<b>16,219,930</b>	<b>1,303,896</b>	<b>1,586,295</b>	<b>13,329,739</b>
<b>Total Expenditures</b>	<b>\$39,905,370</b>	<b>\$2,340,497</b>	<b>\$3,965,736</b>	<b>\$33,599,137</b>

### Sources of Financing

#### ES241421 - Infrastructure Renewal Program - Sanitary Sewers

Capital Sewer Rates	9,140,864	525,687	0	8,615,177
Drawdown from Sewage Works Reserve Fund	2,250,000	0	0	2,250,000
Federal Gas Tax	2,250,000	0	1,189,721	1,060,279
<b>ES241421 Total</b>	<b>13,640,864</b>	<b>525,687</b>	<b>1,189,721</b>	<b>11,925,456</b>

#### ES254021 - Infrastructure Renewal Program - Stormwater Sewers and Treatment

Capital Sewer Rates	820,480	510,914	0	309,566
Drawdown from Sewage Works Reserve Fund	6,974,096	0	0	6,974,096
Federal Gas Tax	2,250,000	0	1,189,720	1,060,280
<b>ES254021 Total</b>	<b>10,044,576</b>	<b>510,914</b>	<b>1,189,720</b>	<b>8,343,942</b>

## Appendix "A"

#21031

March 30, 2021  
(Award Contract)

Chair and Members  
Civic Works Committee

RE: RFT21-11 - 2021 Infrastructure Renewal Program - Burlington Street and Paymaster Avenue  
(Subledger WS21C00B)

Capital Project ES241421 - Infrastructure Renewal Program - Sanitary Sewers

Capital Project ES254021 - Infrastructure Renewal Program - Stormwater Sewers and Treatment

Capital Project EW376521 - Infrastructure Renewal Program - Watermains

J-AAR Excavating Limited - \$3,620,251.92 (excluding HST)

AECOM Canada Ltd. - \$276,894.20 (excluding HST)

Sources of Financing continued	Approved Budget	Committed To Date	This Submission	Balance for Future Work
<b>EW376521 - Infrastructure Renewal Program - Watermains</b>				
Capital Water Rates	11,672,800	1,303,896	949,775	9,419,129
Drawdown from Capital Water Reserve Fund	3,910,610	0	0	3,910,610
Federal Gas Tax	636,520	0	636,520	0
<b>EW376521 Total</b>	<b>16,219,930</b>	<b>1,303,896</b>	<b>1,586,295</b>	<b>13,329,739</b>
<b>Total Financing</b>	<b>\$39,905,370</b>	<b>\$2,340,497</b>	<b>\$3,965,736</b>	<b>\$33,599,137</b>

Financial Note: Construction	ES241421	ES254021	EW376521	Total
Contract Price	\$1,086,076	\$1,086,075	\$1,448,101	\$3,620,252
Add: HST @13%	141,190	141,190	188,253	470,633
Total Contract Price Including Taxes	1,227,266	1,227,265	1,636,354	4,090,885
Less: HST Rebate	-122,075	-122,075	-162,767	-406,917
Net Contract Price	\$1,105,191	\$1,105,190	\$1,473,587	\$3,683,968

Financial Note: Engineering	ES241421	ES254021	EW376521	Total
Contract Price	\$83,068	\$83,068	\$110,758	\$276,894
Add: HST @13%	10,799	10,799	14,399	35,997
Total Contract Price Including Taxes	93,867	93,867	125,157	312,891
Less: HST Rebate	-9,337	-9,337	-12,449	-31,123
Net Contract Price	\$84,530	\$84,530	\$112,708	\$281,768
<b>Total Construction and Engineering</b>	<b>\$1,189,721</b>	<b>\$1,189,720</b>	<b>\$1,586,295</b>	<b>\$3,965,736</b>

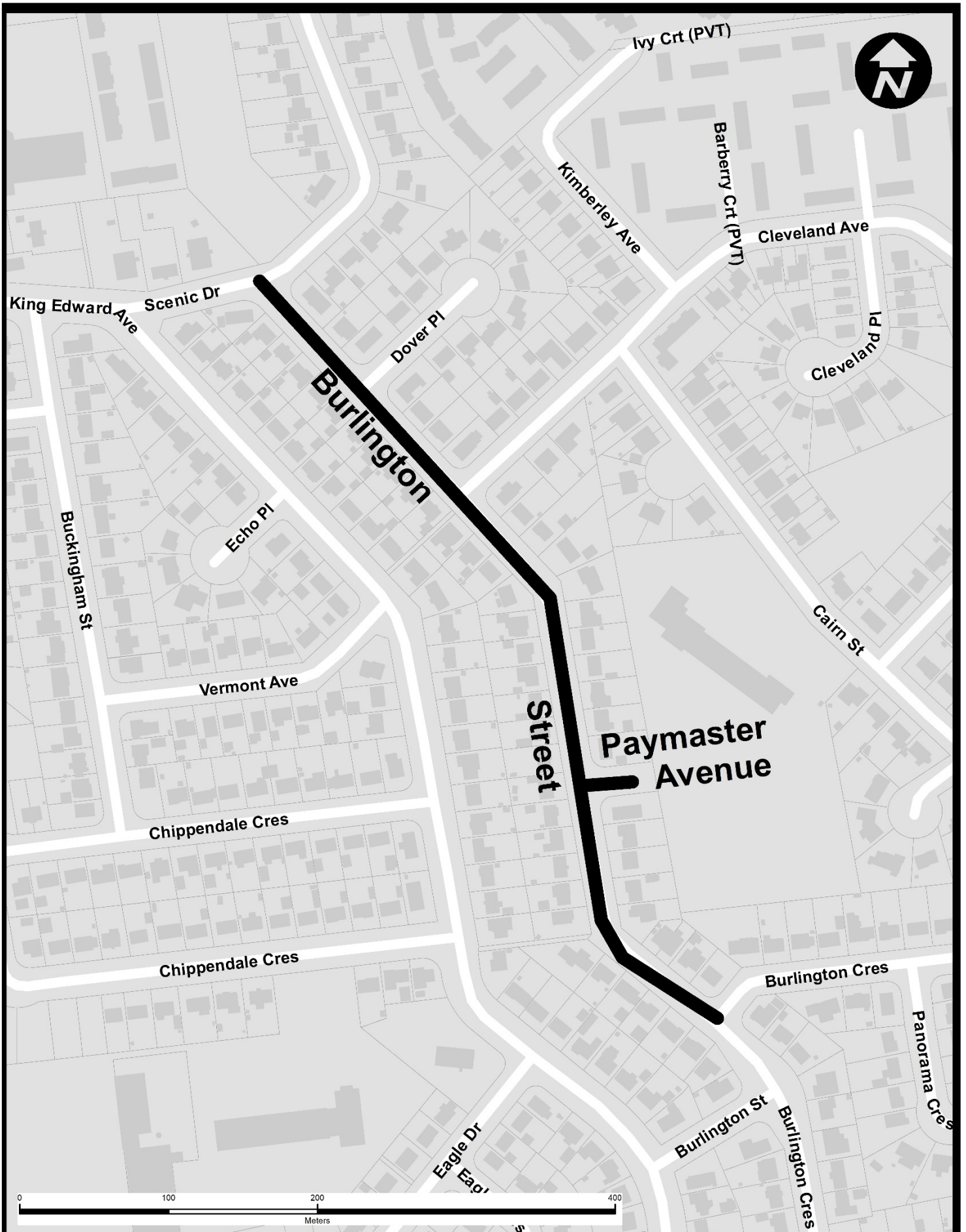
**Note 1:** There will be additional annual operating costs of \$600 for Sewer Operations, \$150 for Water Operations and \$71 for Transportation Operations.

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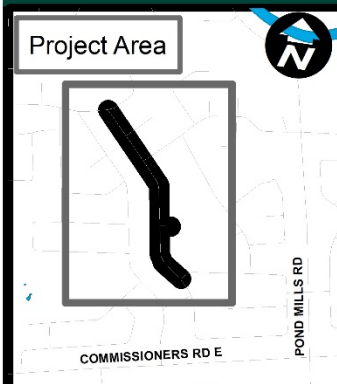
Jason Davies  
Manager of Financial Planning & Policy

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APPENDIX 'B'



LOCATION MAP



**2021 Infrastructure Renewal Program  
Contract 3**

Burlington Street from Scenic Drive to Burlington Crescent (north east leg)  
Paymaster Avenue from Burlington Street to east limit

Map Produced by  
the Sewer  
Engineering  
Division

February 25 2021 CM



**London**  
CANADA

300 Dufferin Avenue,  
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 Project Area